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The Washington Merry-Go-Round

# Dodd Started Campaign in '61

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The Senate Ethics Committee is dragging its feet on investigating the tangled financial web and campaign funds of Sen. Tom Dodd (D-Conn.). Though campaign funds are a touchy subject to some Senators, the majority set up separate committees to keep these funds entirely separate from their office and personal expenses.

Not so the Senator from Connecticut. Checks payable to his private account were freely transferred from his campaign funds as early as three years before his 1964 re-election. And if the Senate Ethics Committee chooses to look the other way, then Internal Revenue has definite jurisdiction.

For the Internal Revenue Code clearly states: "The portion of a political contribution received by . . . a candidate for political office, which is diverted from political campaign purposes to the personal use of the candidate . . . constitutes taxable income to such candidate."

Dodd has collected thousands of dollars, some of it delivered in cash, to pay for his election, with part of it transferred to his personal account. Yet his income tax returns showed no tax payment on these diverted funds.

Dodd began collecting funds for his 1964 re-election in 1961

—three years early — when Lyndon Johnson, then Vice President, came to Connecticut as the star attraction for a fund-raising dinner. Dodd had told friends that he needed to pay up some 1958 campaign debts. To others he explained he wanted to start the 1964 campaign early.

## Favors by Dodd

At any rate, he assigned several staff members—their salaries paid by the taxpayers—to work full time selling tables. One of them, George Gildea, reported back from Danbury, Conn., on Aug. 14, 1961:

"The response is most encouraging and I am sure of at least several tables from Danbury. I expect to be on the road traveling after tomorrow, making contacts with people who are in a position to sponsor a table.

"Before my departure from Washington, I left with John O'Keefe a typewritten list of names he is to contact in Washington; also he will add additional names of friends he wishes to participate in this dinner."

Gildea also revealed that he and another Senate employee, James Gartland, were soliciting contributions from people who had been assisted by Dodd's Senate office in Washington.

"I also left with Jim Gartland his list of people," wrote Gildea, "who he has done favors for and helped to get business through your office."

Since the collections from these people went into Dodd's pocket, not his campaign chest, the question of ethics is involved again.

## Favors and Payoffs

The dinner was a financial success, but it didn't satisfy Dodd's finance man, Ed Sullivan, who is also on the Senate payroll. Sullivan reported to Sen. Dodd on Nov. 25, 1961, that \$60,995 had already been collected.

But he added: "I was much surprised at the few leads to come from the office. I am sure that enough concerns have had favors from the office that should have given us another 25 tables."

Sullivan enclosed in the letter a check for \$35,000, dated Nov. 22, 1961, which Dodd deposited in his personal account at Riggs National Bank in Washington. It was clear from Sullivan's letter that the \$35,000 came from the dinner proceeds.

On the same day, Nov. 25, 1961, Dodd wrote two checks on his Riggs account to pay off a personal loan at New York City's Federation Bank and Trust. One check for \$23,000 paid off the principal; the

other for \$776.57 took care of the interest.

In another confidential report on the dinner, Sullivan again gave the take as \$60,995, deducted \$300 for two checks that were returned, but listed earlier deposits that boosted the total to \$62,345. He itemized \$7889.42 in expenses, leaving a balance of \$54,455.58.

From this, he subtracted the \$35,000 already delivered to Dodd, leaving a balance of \$19,455.58 in the Connecticut Bank and Trust.

On Jan. 15, 1962, the final balance was withdrawn from Connecticut Bank and Trust, check No. 13, for \$20,915.72 and deposited on Jan. 18 in the Senator's personal account at Riggs National Bank in Washington.

Dodd has never reported this income on his tax returns. His returns for 1961, the year in which he pocketed the first \$35,000, report his Senate salary of \$22,500; lecture fees \$4463.41; and another \$61,068.47 from his law firm.

The largest legal fee came from Jimmy Hoffa's Teamsters Union, which paid Dodd a whopping \$50,000.

But the political money Dodd pocketed was not reported, which would appear to be a Federal violation. It will be interesting to see whether the Senate Ethics Committee considers a Federal violation by a fellow Senator unethical.

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